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**ADDRESS by Mr. Edward Anderson,
K.C., before the Winnipeg Real
Estate Exchange, at Eaton's Dining
Room, Winnipeg, May 5th, 1915, at
noon,**

on "JITNEYS"

Mr. Chairman and Gentlemen: Let me first thank you for your kindness in inviting me to attend this luncheon and giving me an opportunity of presenting before this very representative body some views that I have upon the jitney question, and upon the relation of the jitney to the transportation question, as the jitney question is closely bound up with the transportation question. The transportation question is the main question, it seems to me, that a new city which is developing and growing has to contend with. It is the most important from almost every standpoint. No body of men realizes that perhaps quite so clearly and so accurately as real estate men. You all know that when you lay out a subdivision in the outlying parts of the city, one of the first questions that are asked is, What transportation facilities can we get? And unless you can get good transportation facilities the chance of disposing of your lots is poor. The method by which all large, modern American cities has been developed has been by the electric railway system of railroads. They have afforded a facile and cheap means of communication and transportation over large areas of ground, and in such a manner as to best meet the requirements of a growing, populous city. You have only to look at the large American cities to realize that. You know, from your own experience in the city of Winnipeg, what would have been the growth of the city of Winnipeg without the Winnipeg Electric Railway or some other electric railway of a similar

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kind. It would have been restricted and hampered, with no possibility of any large growth or development.

Now, Mr. President, the question arises as to whether or not the jitneys are a better means of transportation than the Street Railway, because it has come to this pass, in my opinion, that the citizens of Winnipeg cannot have both.

I propose to divide my remarks into two parts; first, from the standpoint of the public, and second, from the standpoint of the Street Railway Company. I say to you, as men representing a very important section of the public, that we cannot have two systems of transportation. Either one or the other has got to be relegated to the background. The reason that I say that is, that in so far as the Street Railway is concerned, if the jitneys are here to stay, the Street Railway will gradually circumscribe its operations and reduce its service until it becomes an ineffective means of transportation. Now the question is, Can the jitneys substitute for that? Can they take the place of the Street Railway! If they can, and prove a better means of transportation and better means of communication, then of course it is up to the citizens of Winnipeg to adopt it. But I want to point out to you the reasons why, in my opinion, the two systems cannot continue.

The underlying principle of the electric system is that it covers large areas of ground; that it extends out into the suburban districts, thereby offering an opportunity to men of limited means to go out where the air is fresh and the land is good, and to have their homes there. And it offers this opportunity at a minimum cost. But, in order to be able to do that, the Electric Railway must have the profitable business arising from the short hauls in the congested areas. In the Old Country—I am not very familiar with the system over there—I understand that they have the principal zone system, which means that in regard to fares, within a certain limit you pay so much, and as the distance increases you pay more and more. I think you will all agree with me that that would not be

a satisfactory way for the thing to be worked out in the city of Winnipeg, because the great advantage of going out into the suburban districts is—first, the natural advantages you get, and secondly, the cheap rate of transportation. If we had the Old Country system in Winnipeg there would not be the same inducement for people to go out to the outlying or surrounding districts. We have built on the opposite plan. The street railways in this country have adopted the system that they will extend out in the suburbs, in that way developing and extending the city or the community, at a uniform fare, hoping and expecting of course where the population is a large and growing one, that they will be compensated by the short hauls for the loss they make on the long hauls. Now, to just give an illustration of that. In the city of Winnipeg you can be carried a distance of approximately eight miles for a fare varying from $3\frac{1}{2}$ to $4\frac{1}{2}$ cents, depending on the time of day. Anybody who knows anything about the transportation business knows that this is a loss to the railway company. How is that loss made up? That loss is made up by the passengers that are carried for the short distances in the thickly settled parts of the town. Failing to have that, it follows, as you will all agree, that the Street Railway Company cannot carry the people those long distances at the small fares. Therefore, either one of two things will happen, they will either have to quit altogether, or increase the fares. That is the situation in a nut-shell from that standpoint. If the jitneys are to stay, then the Street Railway Company, as I say, will gradually reduce its service, and I want to tell you today, gentlemen, whether the jitneys stay or not, as long as the jitneys are affording the active competition that they are today, the Street Railway Company will not spend another dollar on capital expenditure unless it is absolutely obliged to. I know of no way in which it can be obliged to, because a corporation has limitations in the way of spending money. In the first place, it has to borrow money to be able to spend it, and under conditions now it is getting to be a difficult matter to borrow money. Even if the company could borrow money on advantageous terms, it would

not be disposed to spend it. The citizens of Winnipeg may as well realize right now that as long as the jitneys are in active competition with the company under the conditions that they are now running, in the unregulated state that they are, the Street Railway Company is not going to extend its field of operations, and is not going to spend any more money. Not only that, but the company has got to seriously consider the question of reducing its service. That is a matter of policy upon which there might be a difference of opinion. My own opinion is that at the present time it would not be wise for the Street Railway Company to radically reduce its service, although, let me say to you, that from the number of passengers carried and the returns coming in, such a radical decision as that would be quite in order. But I do not think the jitneys are here to stay, and therefore I do not think it would be policy for the Street Railway Company to reduce its service too radically just now. However, if the jitneys are here to stay, the service has got to be radically reduced, and you are fully aware that that would not tend to the development or to the upbuilding of the city. While this is from the Street Railway Company's standpoint, still naturally the community's standpoint and the Street Railway Company's standpoint are more or less dependent on each other. Does it not strike you, gentlemen, as manifestly and grossly unfair that the Street Railway Company, at the expenditure of a great deal of money, has to keep its cars in an efficient condition both on fine days and on dirty days, so that when a bad or dirty day comes along, the people who do not feel inclined to ride in the jitneys may have a comfortable means of transportation? Does not that strike you at once as a manifestly unfair position to place the Street Railway Company in? That is the position they are in today. On fine-weather days they are running cars up and down the streets of Winnipeg, and two-thirds of the cars have practically no passengers in them for two-thirds of the day. When a disagreeable day like this comes along those people want to ride, and insist upon riding, in the street cars, and they are there for them, but that sort of thing, as you

can readily see, cannot go on indefinitely. It is only a question of time when the jitney competition will have reached that stage that it will have to be considered whether or not the efficiency of the service will be continued and maintained.

That the development of the city follows the extension of the transportation lines needs no argument and no demonstration to convince this gathering of that fact. A very striking example of that presents itself to my mind, namely the development that has taken place in the Crescentwood district. The Corydon Avenue line of street railway commenced operations a little over five years ago. It was built in part through the bush and scrub. There were no pavements there then. It had to cut the scrub down in certain parts to build. Look what a remarkable development there has been in that district! That development would not and could not have taken place were it not for the operations of the Street Railway Company.

I think, gentlemen, that there is a duty upon you as representative business men, as representatives of the most important section of the business community, to take some action in connection with this jitney problem. It is your job just as much as it is ours, and more, in a way, because you represent the whole of the citizens of Winnipeg, and we only represent our individual standpoint. I do not suppose it will be news to you to tell you that the real estate bodies in the American cities where the jitneys have already invaded have taken strong action in connection with this question. They realize the necessity of a rapid and cheap means of communication and transportation, and they realize that the jitneys are not going to meet the requirements of the situation, and that if the jitneys are allowed to continue their unregulated competition, it is going to be bad for the street railways, and bad for the community generally. I find that such bodies as the real estate men, boards of trade, chambers of commerce, and so on, in the United States have taken strong stands in this matter. I find this has been the case in Los Angeles. The following is a clipping from the New York Saturday Evening Post: "The

banks, the Chamber of Commerce, the Realty Board, and the Merchants' and Manufacturers' Association, representing the most important business interests in the city, demand jitney regulation, which would probably amount, in fact, virtually to jitney suppression. It is hardly too much to say that, in the judgment of the interests mentioned, the jitney bus is a nuisance and ought to go. In some respects, as now operated, it is a nuisance"—and so on. That is the attitude of representative bodies in Los Angeles.

I have here a pamphlet, published by the Transportation Committee of the Chamber of Commerce of Oakland, California, dealing with the jitney question. I would just call your attention to one or two things in that pamphlet as bearing out the statements that I make upon this subject both from my standpoint and from the community's standpoint. It is headed, "The Jitney from the Community Standpoint, and Report to Transportation Committee," and so on. Here is the angle from which they approach it.

"Hence we are returned, from every angle of approach, to the original proposition of determining whether (a) the jitney, or its modification, is an advance over present methods such as to encourage its continuance; (b) whether if left in possession of the field it can successfully assume the burden and responsibility now borne by the existing organized transportation systems; or (c) whether by weakening and tearing down that which we now have, and making no adequate replacement, a vast burden of loss will be placed upon the community. This then brings us logically to a consideration of what the jitney is, how it operates, its present effect upon existing transportation facilities, and its probable future."

Then they go on to analyze what the jitney means and so on, and then they come to the conclusion.

"The future of the jitney, or motor bus, as a method of transportation, as compared with and a substitute for the electric street

railways, rests with its ability to give service, its responsibility, its permanency, and—in the final analysis—its ability to maintain or increase property values as a result of the foregoing.

“In the light of the statements previously made in this report it is the belief of the Committee that certain general facts stand out prominently, and are sufficiently axiomatic to require no argument. These facts virtually prove the case against the jitneys as we have them upon our streets today. so far as their acceptance by the people as a system of transportation is concerned.”

Gentlemen, as I say, that is the attitude of the representative bodies of other cities, and I repeat there is a duty cast upon you to perform, as much as upon any other vested interest in the community, not only a duty but an obligation.

The way in which the jitneys are operated upon our streets is a menace to our personal liberty. The man who either rides in one or attempts to cross the street runs a considerable chance of being injured. One's family is also subject to the same danger. One is liable to have either his person injured or his property injured. And if an injury occurs, what is the result? Is there any redress? What redress have you against irresponsible men, such as the men we have here driving jitneys?

To give an illustration on that question of responsibility, the Street Railway Company, although operated much more carefully, much more safely, and with much less danger of accidents, pays out annually from twenty-five to thirty thousand dollars in damages to people who have suffered different kinds of injuries in respect of it. I venture to say that the accidents already caused by jitneys in the time in which they have been operating here would equal, or almost equal those due to street railway operation for a whole year.

Why are these men allowed to use the streets of the city of Winnipeg, to use our property, to use your property, and to injure and destroy it, without

regulation? I don't propose to supply the answer. I ask you, Why is it? They have been here now upwards of three months, and their number is increasing daily. It is a strange thing that such a state of affairs exists. Can you imagine any other class of the community being allowed to exercise similar privileges without any regulation? Why? As I say, I leave the answer to each individual, but a duty rests upon you, it seems to me. Just consider the situation. You have the Street Railway Company with its large investment, regulated by public bodies, regulated as to the time at which it shall run its cars, regulated as to the number of cars and the class of cars run, regulated in every possible detail with a view of giving an efficient and safe service. Why are not the others regulated also?

There is one more point I want to deal with before I come to the Street Railway Company's viewpoint. It is in regard to the investment in the Winnipeg Electric Railway system. The total investment represents approximately twenty million dollars. Approximately half of that, without taking into consideration the power plant, is in the street railway part of the system. The greater part of that money is supplied by British capitalists. It was supplied upon the faith of the contract which the Winnipeg Electric Railway Company had with the city of Winnipeg, and upon the faith which the British investors had in the future of the city of Winnipeg. Now it is up to every citizen of Winnipeg to see that faith is kept with those investors. It is going to be a serious thing, not only for the citizens of Winnipeg, but for the citizens of Canada and particularly Western Canada, if British investors are going to lose their faith in the security of their investment. And unless something is done in connection with this jitney question, they will lose faith.

The British Columbia Electric is one of the systems that has been very hard hit by the jitneys, and the money invested in that company is largely British capital. We already hear expressions of discontent by the British investors with reference to the manner in which their capital is being used.

I have here a number of extracts from Old Country newspapers dealing with this question. I won't read all of them, but I will read you one or two which are illustrative of the rest. Most of these newspapers are what you might call country newspapers, or at least they are not published in the very large centres, showing how widely capital of this kind is invested. I will just take as a sample what the East Anglian Daily Times said. The same thing is said by the Manchester Despatch, the Leeds Mercury, the Dublin Daily Independent, Bristol Times and so on.

"We cannot but think that the municipal authorities concerned will be aroused to the seriousness of the position, because if an enterprise of the importance and magnitude of the B. C. Electric Railway is not accorded fair treatment, and in consequence, continues to suffer as at present, not the railways alone, but all interests in British Columbia will be adversely affected, as investors in the colonies, many of whom are already interested in this Vancouver railway, will decline to put any more money in a province which does not secure fair and proper protection for the capital it has already got. Holders of land in the province are naturally expressing some anxiety, realizing that land values depend largely upon the development following construction of railways, and that future construction will inevitably be retarded if not completely stopped, pending action upon this vital question."

That is the way in which those people look at it. They look at it in the same way as the people who have their money invested in the Winnipeg Electric Railway will look at it. It is up to us, and when I say us I mean we as citizens, to see that that capital is protected, because otherwise we will not, when this war is over, get that inflow of capital that we must have and that we expect for the development of this western country. Right here I want to make a prophecy to you, before I start on the other branch of my subject. It is this: Until the jitney bus and the jitneys are eliminated from the streets of the city of Winnipeg you gentlemen are not going to sell any real estate to amount to anything. I won't say that if you got rid of the jitneys tomorrow

that you would at once begin to start selling real estate, but I do say this, and I think I would not mind hazarding my reputation as a prophet, if I had any—I haven't any—upon the prophecy that until the jitneys are either efficiently regulated or eliminated from the streets of Winnipeg you will sell practically no property.

You can easily follow me in that, and it is not necessary for me to elaborate. I want to show you from the company's standpoint how the jitneys are affecting it. In the first place, consider its unfairness. It is the unfairest kind of competition. You will sometimes meet with the people who say that competition is the life of trade. That is an old platitude which has its place, but it does not cover everything, and it is a fallacy in this particular instance. Competition, as far as the street railway transportation is concerned, is not the life of trade. In the United States, where they first established Public Service Commissions, they have realized that in so far as the street railway transportation is concerned, the important thing is supervision. They realize that the best way of getting full efficiency from a street railway system is to give it a monopoly, subject to proper public supervision, such as we have here under our Public Utilities Act, which adequately protects the public. I say that it is unfair competition. The Street Railway Company has ten million dollars locked up in that end of its business. It invested that money upon the faith of the contract entered into with the city of Winnipeg, by which it was to have the exclusive street railway transportation rights upon the streets of Winnipeg for the period of the franchise. It is quite true at that time no such thing as the jitney bus was contemplated. I don't see from a legal standpoint any remedy, notwithstanding we have that exclusive contract. But, nevertheless, there is an obligation upon the city of Winnipeg, because the intention was when that contract was entered into, that the Street Railway Company was to have that exclusive monopoly. As long as we are giving efficient service, and you can be sure of efficient service being given as long as you have proper regulation, then we are entitled to those rights. We have ten million dollars invested in this system

as against the individual small sums invested by owners of jitneys. The money is invested and that cannot be got out again in any other way except by carrying passengers. The people who have their money in jitneys can get it out in other ways. We are here; we have got to run our cars in fine weather and in bad weather. The jitney service is different. The jitney operates at his own sweet will. If he wants to operate today he may; if he wants to quit tomorrow he may; if he wants to carry you half way home he may, and he can leave you half-way and not go any further. It is not so with the Street Railway Company, they have certain obligations, and they have got to keep them. They have a certain timetable to make, and they have got to make it or suffer the penalty. I might elaborate more upon that point, but I don't think it is necessary. It is only necessary to state the facts to see how unfair the competition is.

Just permit me to draw your attention to what the business operations of the company means to the city of Winnipeg. In the first place, look at the magnificent office building that was erected by them. Do any of you think that if the jitneys had been here a building such as that would have been erected? There would have been no chance of it. That is just to illustrate that as long as the jitneys remain you cannot and must not expect any further extension, or expenditure of capital by the Street Railway Company. Just for a moment let me point out to you what it means in money circulation in the city of Winnipeg. Last year the pay-roll of the employees of this company represented the expenditure of approximately a million and a half dollars. That is a large sum of money to be put in circulation by one institution. The operating expense of that road amounted to over two and a half million dollars. A large part of that was spent in the city of Winnipeg. The manager of the company estimates that in the year of 1914 there was spent and distributed in the city of Winnipeg by the Winnipeg Electric Railway the sum of approximately three million dollars. There won't be any such sum as that spent in 1915, because the earnings are being decreased very rapidly, not entirely on account of the competition afforded by the jitneys,

as it is partly owing to the condition of the times, but very largely by the competition of the jitneys. It also pays 5 per cent. of its gross revenue to the city. It also pays annually a large sum of taxes to the city. Last year the percentage in taxes was \$280,339.00. It also annually pays a large sum in its proportion of pavements, whereas the jitney operators pay no revenue of any account to the city. The jitneys are taking business, as I pointed out to you a while ago, that was essentially necessary to the development of the system, namely, the business in the down-town parts of the city where the short haul exists. You don't find the jitneys going away out in the suburbs for any five cent fare. Now, these are some of the disadvantages you have by encouraging a system of this kind. As I say, gentlemen, I think that a duty is cast upon you as citizens representing a large business section of the community to see that the proper thing is done. I am not going to suggest what the proper thing is, but on that question I adverted a moment ago to the platitude of competition being the life of trade, and I assure you that in so far as the transportation question is concerned it is not the life of trade. If you are really going to encourage the jitney system you are going to kill the efficient electric transportation system. It is quite true, and I am prepared to admit, that in so far as the introduction of the City Light and Power Department is concerned competition was the life of trade. I am quite willing to state that it was an advantage, although perhaps not quite so great an advantage as it was thought at first, but it was a decided advantage to the people of the city of Winnipeg to have a power system such as that is, owned and operated by the people themselves. Not only that but the Street Railway had no right to a monopoly, and had no right to expect a monopoly of the power and lighting business of the city. They are wide open for any competition of that kind. But that rule does not obtain as far as the transportation question is concerned.

Even with reference to light and power the company can show that it is being subjected to very unfair competition. The city naturally has many advantages over the company in the way of bringing

pressure to bear upon citizens to take light and power; not only that, but it is assuming to sell it at cost, and the Street Railway capital was not invested with a view of supplying any commodity purely at cost. Another handicap the company labors under is it has to pay very heavy taxes in respect of its light and power business, as well as other departments.

Gentlemen, that represents very shortly some of the views that may be presented upon the jitney question. I think they are well worth serious consideration. I must extend to you my hearty thanks for the opportunity of discussing them before you. Unfortunately, I am not capable of discussing it perhaps as fully and as technically as might be desirable, but the remarks that I have made, I have no doubt, will start you thinking upon the right line, and the solution of this question will be properly achieved, and achieved in such a way as to benefit the whole community.

